

OVERSEAS NEWS

PROPOSED CHANGE TO IRELAND'S CONSTITUTION HAS CLAIMED POLITICAL AND SOCIAL CASUALTIES

Irish abortion debate widens rifts

BY BRENDAN KEENAN IN DUBLIN

THE 2m voters in the Irish Republic go to the polls on Wednesday in one of the strangest exercises of the franchise they have ever undertaken. What began ostensibly as a referendum on the issue of abortion has turned into a bitter and complex debate on the nature of Irish society itself.

In the process, the reputations of most of Ireland's political leaders have been damaged, the Roman Catholic hierarchy has become involved in politics in a way not seen for 30 years and relations between the churches have deteriorated into open argument.

Abortion is illegal in the Republic but anti-abortion groups feared it might be introduced by judicial decision. In the past the European courts have found against the Republic's laws on contraception and, more recently on Northern Ireland's law on homosexuality.

A pressure group was formed to change the Irish constitution to make it impossible for the anti-abortion laws to be struck down.

Their campaign was mounted just as the present Irish premier, Dr Garret FitzGerald, and his rival, Mr Charles Haughey, were locked in two neck-and-neck elections - in

1981 and 1982 - with neither able to achieve an overall majority.

Both were forced to promise that they would amend the constitution but when Dr FitzGerald returned to power last year he decided that Mr Haughey's text for an amendment was defective.

However, he failed to get his own proposal through Parliament, when eight members of his Fine Gael party abstained on the vote. The episode is widely regarded as having damaged Dr FitzGerald's standing in the party. The biggest casualty was his policy of making the Irish constitution less Catholic in tone - the so-called "constitutional crusade" which now looks like a very empty policy indeed.

While Fine Gael has remained openly divided on the issue, Mr Haughey's Fianna Fail has stayed resolutely out of the argument. This has been widely seen as a cynical tactic and neither of the major parties can claim to have won any victories in the campaign.

However, the leaders of the two parties were last night expected to clarify their positions. Mr Haughey planned a television appearance and Mr FitzGerald's office was expected to issue a statement.

The biggest surprise has been the

vigour of the anti-amendment campaign, in a country where hardly anyone argues publicly in favour of abortion. Instead, the opponents of the amendment argue that it is sectarian, harmful to relations between Catholics and Protestants in the whole of Ireland and is so vague that it could, on one interpretation, allow legal abortion or, on another, make some forms of contraception legal.

They scored a notable coup when the British broadcaster and anti-abortion campaigner, Mr Malcolm Muggeridge, refused to speak in support of the amendment, on the grounds that the wording was imprecise - "devil's phrases" as Mr Muggeridge put it. Mr Muggeridge, 80, is a recent convert to Roman Catholicism.

Opinion polls suggest that the voters are confused. They show a majority in favour of the amendment but over half the voters think it should never have been held, while almost a fifth have yet to make up their minds.

It may have been these figures which persuaded the Roman Catholic bishops to intervene publicly. As they put it in their statement: "A decisive 'Yes' to the amendment will, we believe, in the words of Pope John Paul II in Limerick, con-

stitute a witness before Europe and before the whole world to the dignity and sacredness of all human life, from conception until death." A narrow win, never mind a defeat, might signal exactly the opposite and the bishops, while saying that Catholics were entitled to vote "No" left no doubt about their own position.

At the same time, the Protestant churches stated their "unequivocal opposition" to the amendment, on the grounds that complex moral issues should not be written into the Irish constitution. Such open involvement in politics and public disagreement by the churches is virtually unprecedented in a country where clergymen are all too conscious of the sectarian tensions beneath the surface.

Among the lay campaigners, anti-amendment barrister Mr Adrian Hardiman, speaks of a "moral police" who want to go back to the rigid values of the 1950s. A leading conservative politician, Mr John Kelly, says he will vote "Yes" reluctantly because he fears a defeat would be exploited by left-wing elements. The campaign has crystallised into a debate on the kind of society Irish people want: Catholic and conservative or pluralist and liberal. Wednesday's result may be

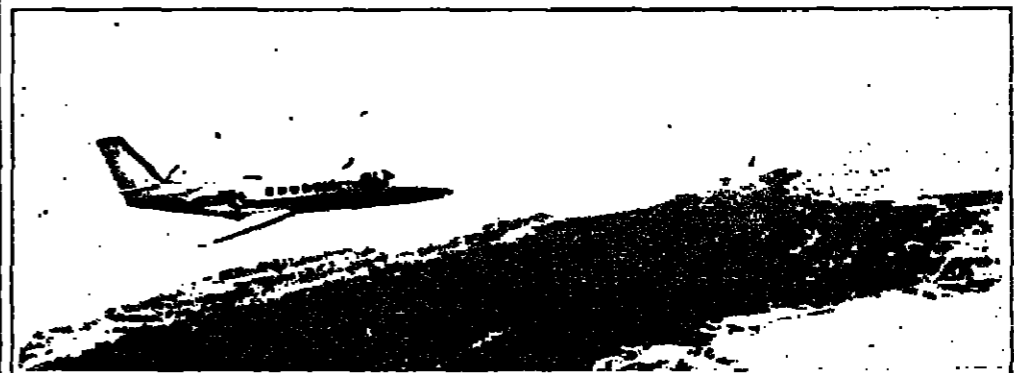


Dr Garret FitzGerald

so narrow as to be inconclusive. It will certainly do nothing for the estimated 5,000 Irish women who have abortions in Britain each year.

The casualties already include the reputations of Dr FitzGerald and Mr Haughey, inter-church ecumenism and, perhaps, the end of the concept of a "new Ireland" which could unite the two religious traditions.

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Portugal struggles with outmoded exchanges

Diana Smith gets caught in Lisbon's tangled telephone lines

"MADAM," said the friendly international operator, "the trouble in dialling abroad could last until the end of the week, the month, or the year."

Such information, however amiable delivered, can undo bankers, diplomats, businessmen and journalists who, because of their profession, must make several foreign telephone calls a day from Portugal - not to mention local calls - on a hideously overloaded network which treats you to a busy signal even before you have dialled the first digit.

If you have urgent information to impart to a head office or colleague in Bonn, London, Paris or Madrid it might be quicker and healthier to catch the first plane. Otherwise you may suffer not only delays but severe stress.

At the moment, dialling elsewhere in Europe is a masochistic act on a par with bashing yourself on the head with a mallet. In the move to switch European lines from the old 07 circuit to the new 01 circuit, so the friendly international operator told us, lines have been mangled and tangled or lost. It will take weeks, months, or perhaps years to unravel the snarl.

You pick up your receiver wondering if today is your lucky day when a call is completed on the first try, and dial 01. That brings a busy signal as soon as you dial 0, or, as a special treat, the dialling tone.

An hour later, when the air has turned blue from your curses, your index finger or pencil end is worn down and your eardrums echoing to beep-beep-engaged-beep-beep, and you prepare to dash your telephone

against the nearest wall, you suddenly complete the number without beep-beep.

Flushed with success, you await the sound of a phone ringing somewhere in Europe, the silence drags on, then you hear in the dim distance beep-beep-engaged-beep-beep.

Not a London beep-beep, a Lisbon beep-beep. The sound is unmistakable. The gremlins have chosen you for a day of phone fun and there is nothing you can do, apart from taking medication, strong drink or a remedial walk.

There are about 1.5m telephones in Portugal serving - if that is the word - 9m people. Statistics tell us that Portugal is eight years behind Greece, and 12 behind Spain in telephone density.

Lisbon has the highest telephone

density at about 700,000. An argument could continue for days about which is more cluttered, its road traffic or its telephone traffic.

Wrong numbers are reached with such frequency, despite careful dialling, that you can strike up new friendships with the hapless person who repeatedly dials one number and gets another by courtesy of unco-operative switching mechanisms.

Patience vanishes when whims of tired central Lisbon exchanges plunge you into a six-way conversation, punctuated by appeals from frantic subscribers to those exchanging pleasantries and obscenities at the core of the snarl to hang up and let serious people make urgent calls.

When my telephone locked into one such marathon for 10 hours, the

engineer, whom I had summoned in the hope he could rescue me from mechanical madness, said: "Nothing to be done. Wait until the exchange clears itself."

At the heart of the problem is a slowness to make the massive but essential telecommunications investments Portugal needs to push its ailing phone system into modern times.

There are improvements - most telephones are now automatic rather than manual nationwide - but that does not help when you dial a Lisbon number and silence greets you. You report that that number has gone dead.

"Oh no," says the operator, "it's just that the exchange is too tired to give the busy signal when the party is talking. Be patient." I must go for another remedial walk.

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BAe Dynamics to spend £1.27bn on Rapier

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITISH Aerospace Dynamics, backed by the British Government, is embarking on a major programme of improvements to its Rapier air defence system.

A programme supported by the Defence Ministry, to improve the towed version of the Rapier has already begun and will be completed at an estimated cost of £1.27bn over the next 10-15 years.

The Ministry expects the development and production of Rapier to cost about £5bn at present prices - a sum which considerably exceeds the original £3bn estimate for Britain's controversial Trident nuclear deterrent.

This amount will be spent over a long period, however, as Rapier development dates from the 1960s and the improvement programme is designed to take the system into the 1990s. But the total expenditure involved represents about the same amount spent by the Defence Ministry on the total defence equipment procurement budget last year.

Both the Defence Ministry and BAe hope for substantial overseas sales of the Rapier system which is said to be Britain's largest single arms export. Sales to 10 countries in the last decade amount to £1.4-1.5bn. Turkey became the 11th country to buy Rapier last month, with a contract worth £146m for 38 systems.

Compared with Trident or other major defence equipment, such as the Tornado fighter, the Rapier programme has had little publicity. The first public indication of the new improvement programme was a two-line entry in last July's Defence White Paper. This noted that the "estimated programme cost of comprehensive improvement and development of the army and air force Rapier (Field Standard C)" amounted to £1.27bn.

It is understood that the Defence Ministry has so far signed contracts with BAe for about £100m of this programme. About £250m is earmarked for development of the towed system, with around £1bn due to be spent on future orders over the next decade.

Improvements planned for the towed system include a new surveillance radar. While BAe Dynamics is the prime contractor for Rapier, other major defence companies involved include Marconi Space and Defence Systems and Ferranti. Rapier is designed to attack aircraft which are flying low to escape radar detection. Its original towed version, in service with UK air force and army, has provided most of the export sales to date.

BAe has so far failed to persuade the U.S. to buy Rapier for its Rapid Deployment Force, while a 29-year effort to sell Rapier to Norway failed when the U.S. clinched a deal there earlier this summer.

Unions must adapt to changing world, says TUC leader

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR LEN MURRAY, the general secretary of the Trades Union Congress (TUC), yesterday clearly signalled the critical importance of this week's annual TUC meeting in Blackpool to the future effectiveness of Britain's badly bruised unions.

He told them: "We have to adapt and adjust to keep demonstrating our relevance to working people."

He denied the election of a Conservative Government called for an "obituary notice" on British trade unions, saying that the unions could emerge from the forthcoming period of government stronger than ever. But only if "we face up squarely to the challenge it poses, recognise honestly the factors in the public mood that brought it about and respond to our members accordingly, dealing with the world as it is rather than as we would wish it to be."

Mr Murray was speaking on the eve of an assembly which will see decisions taken on such central issues as the unions' relations with the Government, with the Labour Party and on the TUC's future campaigning role.

"Since we set up shop 115 years ago our industrial structures have changed out of all recognition, not once but time and time again. Before the First World War we had over 700,000 members - almost a third of our total membership - in the cotton, textiles and weaving trades."

"Now we have hundreds of thousands of bank employees, office workers and technicians. Computer programmers need their unions as much today as the spinning jenny operatives ever did."

Mr Murray's advocacy of change was immediately challenged by a decision of the Transport and General Workers' Union (TGWU) to maintain its opposition to talks with the Government on reforming labour laws Mr Murray has spoken out strongly in favour of such talks.



Murray: 'need to show our relevance'

However, Mr Moss Evans, general secretary of the TGWU, said after the unions' meeting of delegates that "realistically" he did not think the expected Congress decision to talk to Mr Norman Tebbit, employment secretary, would be altered by the TGWU position.

Though the union's block vote stands at 1.5m Mr Evans said unions lining up in favour of reopening talks - they include the engineers, the general and municipal workers and the local government officers - would probably be sufficient to carry the day.

Three Soviet visitors, including Mr Viktor Popov, ambassador in London are expected at Congress. Mr Popov is booked in the town's major hotel for Wednesday.

The other two Soviet guests are Mr Boris Averyanov from the Communist World Federation of Trade Unions in Prague and Mr Vladimir Mozhayev from the Soviet TUC.

Mr Averyanov who arrived last night said in response to reporters' queries: "I have nothing to say. I am going to stay. I dislike publicity."

Editorial comment, Page 14

"Punctuality is the virtue of Kings."

Old German Proverb



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INSURANCE

Bermuda prepares for risk exchange

BY JOHN MOORE, CITY CORRESPONDENT

BERMUDA's hard-pressed insurance community is taking steps to protect itself through the creation of a new risk exchange.

In January next year a Risk Exchange Association will be established which, if all goes well, will provide a formal arrangement under which captive insurance companies - the insurance groups created by non-insurance concerns - can trade business with each other.

In conception, the new market does not resemble the insurance exchanges in North America, which have taken as their model Lloyd's of London. Rather, the risk exchange in Bermuda is intended to provide a facility to enable business to be swapped between one captive group and another on a reciprocal basis at low cost, it intends to provide good underwriting advice and an efficient method of administering the various business transactions.

The varying fortunes in underwriting in Bermuda's \$5bn insurance community has undoubtedly given impetus to the latest scheme. Since Bermuda's insurance activity began expanding rapidly in the 1970s the island has become something of a dumping ground for the world's riskier lines of business.

Captive insurance groups were originally formed to insure the risks of their parent companies. Through a captive company industrial concerns had direct access to the reinsurance market, an important determinant of rates in the world's insurance community, and considerable bargaining power.

When the Internal Revenue Service in the U.S. ruled in 1977 that premiums paid across to a captive insurance company by the parent company would be related, for tax deductibility purposes, to the amount of business the parent company passed to the captive, captive owners looked for ways to expand the base of their business.

The captive owners began to reduce the reliance of their insurance company subsidiaries on parent company business by gradually taking on non-related third-party insurance business from outside.

Some of the larger captive groups are sceptical about the exchange's future role, pointing out that it would represent a tiny amount of capacity in world insurance markets. But at least in its early days the new exchange could reduce costs to the captive movement by eliminating broking commission on the business that is put into the exchange while, at the same time, providing a bedrock of profit to the captive groups.

The move into third party business was not a notable success. A dearth of underwriting talent, and a hunger for premium, gave Bermuda a reputation as a "soft market."

High risk business, inadequately rated, flooded into the market creating huge losses for some of the captive groups.

This year, a number of groups are rationalising their operations with some groups terminating their insurance of non-related third party business.

The new risk exchange intends to change some of the fortunes of the captive groups. Over the years many captives have tried to obtain profit, rather than premium reciprocity, from other brokers and insurers, but with little success. While the captive movement may be placing profitable reinsurance business with other reinsurers outside its market, little profitable business has flowed back into the market on a reciprocal basis.

The creation of the exchange is designed to retain some of the profitable reinsurance business which is flooding out of the captive market within its own community. In the early years of the operation of the exchange, it is expected that the participants will retrieve from the reinsurance marketplace a part of their reinsurance programme and offer this to the exchange on a trading reciprocity basis.

This element of the exchange's operations could generate about \$30m in premium volumes for the participants.

The exchange has already entered into a management agreement with Altamid Management Company, a subsidiary of Hanna Mining Company, and with Hudson Underwriting, a subsidiary of Skandia America. Hudson has appointed a full time member of its staff to act as underwriter to the exchange members and he will be based at offices in Bermuda.

About 17 insurance captives, all subsidiaries of big U.S., Canadian and European companies, will participate in the exchange initially. Projections for the first year of its operations suggest that a premium volume of \$50m might be generated. There would be underwriting capacity of \$6m for property risks, casualty \$4m and marine business \$3.5m, but the actual volume will depend on the number of participants.

Membership of the new exchange is to be limited to captive groups only, and each member must show capital and surplus equivalent to \$1m and win the approval of 75 per cent of existing members before being admitted to the club. The management of the exchange is to be financed by a 1 per cent levy on premium volume, and there will be a 75 per cent contribution to a security fund which will be available to all exchange members in the event of one of the participants defaulting.

UK NEWS

Treasury fights to cut spending by £2.5bn

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

MR PETER REES, chief secretary to the Treasury, will this week open the second phase of a battle with spending ministries which is proving much tougher than the Treasury's similar operation a year ago.

His task is to cut £2.5bn from the total that departments and local authorities say they need to spend in 1984-85. This is the gap which still remains after a round of talks between officials this summer when the Treasury sought to bring the total nearer to the target of £126.4bn announced by the Government last spring.

The total, enshrined in the last public spending White Paper, was questioned by some ministers after the general election in June when it seemed there might be difficulties in meeting the target.

However, Mrs Margaret Thatcher, the Prime Minister, silenced her Cabinet colleagues by telling them that the figure represented an election commitment. Mr Nigel Lawson, the Chancellor of the Exchequer, reinforced this by saying that failure to control public spending might lead to tax increases in the longer term rather than the cuts which the Conservative administration desires.

The Cabinet agreed to the figure of £126.4bn, but it has proved more difficult to persuade departments to hold their estimates to a figure consistent with this target.

By early summer departmental bids for next year had reached about £18bn above the target figure, though some of this excess was regarded as a "try on" by the Treasury.



Thatcher: an election commitment

Officials have now reduced the gap to £2.5bn and it will be up to Mr Rees in the next eight weeks or so to shave this figure down in a series of bilateral meetings with departments.

He will also have to grapple with the thornier problems of public spending over the next five years when slow growth, the increase in the number of older and sick people, and defence and other commitments are likely to put severe strain on the Government's objective of containing the public sector as a proportion of national income.

For next year it is privately conceded that it may be difficult to reconcile the target with the Government's spending commitments.

These include: maintenance of the real value of pensions, an 8.7 per cent rise in the value of unemployment benefit from November, and a 3 per cent rise in defence spending

in real terms. Moreover, any appreciable cut in the standard of health care would be resisted by Mr Norman Fowler, the Health Secretary, and would in any case be politically difficult.

Almost half the £2.5bn excess for next year is accounted for by the local authority bid, but their spending has proved extremely difficult to control in the past. The remaining excess bids are spread fairly widely, with the defence budget - notoriously liable to creep upwards - some £300m over the top.

Last year the Treasury's Chief Secretary, then Mr Leon Brittan, solved the difficulty partly by cutting the contingency reserve for 1983-84 to only £1.5bn. However, this has already proved embarrassingly small, and was one reason that Mr Lawson felt compelled to announce an unexpected £800m package of spending cuts for the present year.

For 1984-85, the Treasury is determined to keep the contingency reserve at its planned £3bn. This would provide not only for unforeseen events - such as the Falklands war - but would help to cushion the planning total against pressure from any unforeseen revival of inflation.

Mr Rees, therefore, faced with harder bargaining than Mr Brittan last year and the more hawkish ministers are watching anxiously to see how he measures up to one of the toughest jobs in government. It is being said that he will do well to match the toughness and appetite for detail shown by his predecessor.

U.S. rates 'close to those of golden age'

By Our Economics Correspondent

THE VIEW that U.S. interest rates have reached historically high levels in real terms is strongly challenged today by a leading City economist.

Mr Gavyn Davis, chief economist for brokers Simon and Coates, says that after taking account of tax changes and the expected course of inflation, rates are now near the average for the "golden age" of the 1950s and 1960s.

He says in the brokers' monthly, Economic Analysts, that past trends do not suggest that U.S. interest rates should fall substantially.

His analysis, prepared with the help of tax data from the U.S. Federal Reserve Board, is a direct challenge to the consensus view of finance ministers and central bankers in the developed world, particularly Europe.

They believe an excessive U.S. budget deficit has pushed U.S. interest rates - and hence world rates - to historically high levels, which are a brake on world economic recovery.

Mr Davis has calculated a "real" value for interest rates since 1950 by subtracting the expected rate of inflation revealed from survey data from three of the main U.S. interest rates.

He has also calculated the "real" benefit of interest payments to taxpayers with zero, average and high marginal tax rates.

He concludes that lenders paying a zero marginal tax rate have enjoyed positive real rates of return for most of the post-war period, except for a few years in the later 1970s when after-tax rates became negative in real terms.

He also concludes that the present real after-tax returns of around 3 per cent in real terms are average for the whole period studied. A similar pattern emerges for those on higher marginal tax rates although they have suffered negative real returns for a longer period.



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Shipowners set out union terms

BY BRIAN GROOM

SHIPOWNERS are to offer trade unions a new "consensus" in the wake of the Conservative election victory, but one that makes clear that they must accept improved working practices on ships, and changes to long established national agreements.

The General Council of British Shipping annual review, to be published this month, emphasises that for at least four to five years there will be no subsidy, protection or controls for nationalisation. "The country did not vote for a government with the sort of shipping poli-

cies that the unions wanted" it said.

The council has offered the National Union of Seamen and the Merchant Navy Officers' Association, a forum to discuss general policy which could agree on broad lines of support that the industry should seek from government.

But it warns: "The unions will need to temper their philosophy with pragmatism if there are to be joint representations which stand any chance of success with the present administration; the alternative of constantly pressing for the adoption of policies totally incon-

sistent with the government's approach will be at best futile, and at worst counter productive."

The council wants to revise a range of national deals designed when there was a chronic shortage of skilled seafarers. Now there is a surplus because of the decline in the fleet, and unemployment ashore.

That mainly concerns redundancy payments, responsibility for which the council wants to pass to individual companies in order to curb its central costs.

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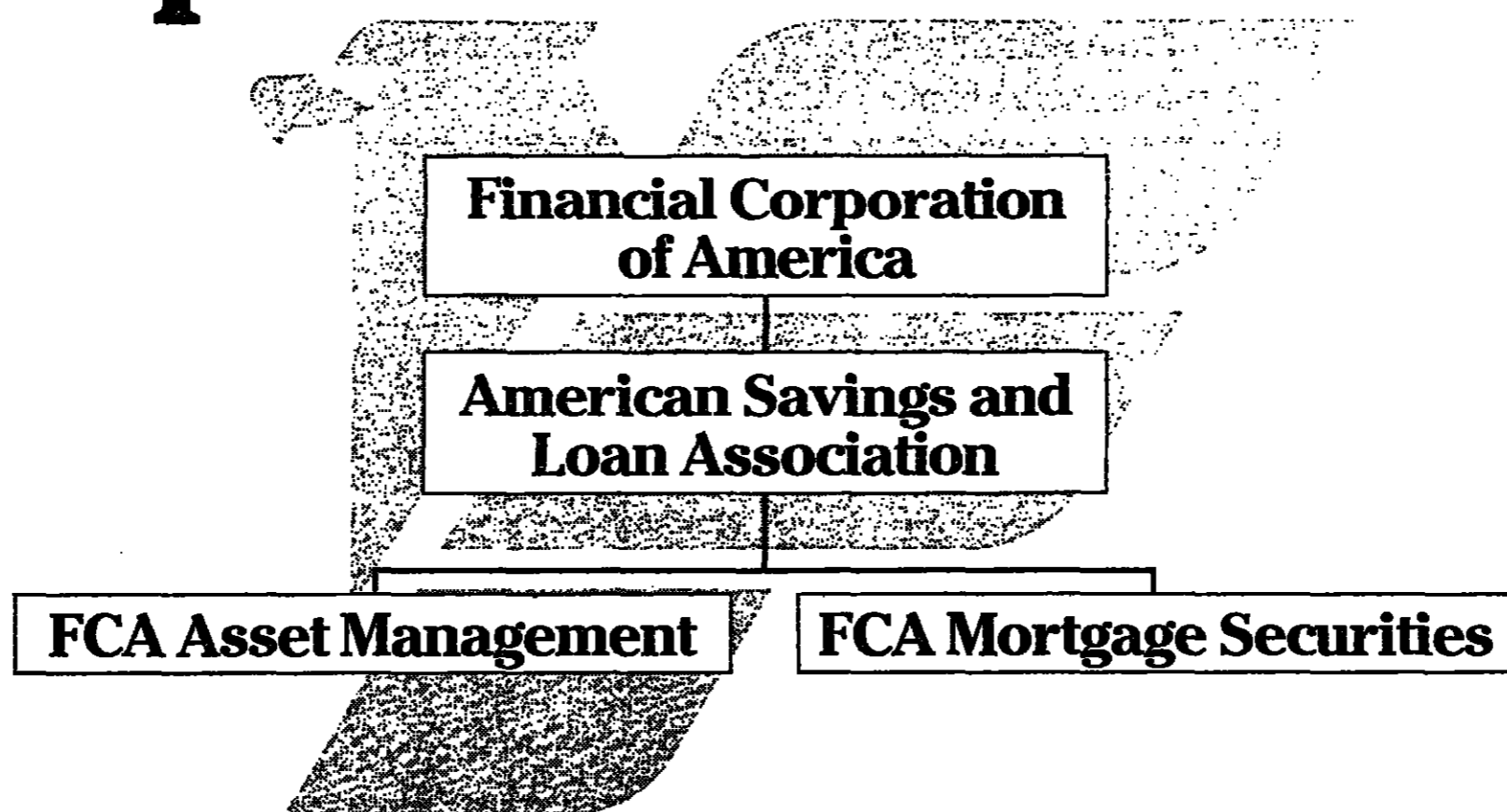
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OIL AND GAS—Continued

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		Fls. 31.97/102	1284-3	
Albany Inv. 20p.	63	Alliance Gas	90	
Bentley Inv. Est. 50p.	270	Amoco	230	
Briggs Inv. 20p.	135	Craig (P.L.)	210	
Finley Prop. 5p.	25	Concrete Prod.	72	
Gray Ship. 1p.	21	Holston (Hills.)	16	
Higgins Brv.	90	Irish Ropes	32	
West Lias 75p.	910	
I.B.M. Ssm. 1	147	T.M.C.	68	
Pearce (C. H.)	580	Unidure	72d	

3-month Call Rates

Industrials		House of Fraser	26	Unid. Drapery	14
Allen Lyons	15	I.C.J.	85	Vickers	12
2nd C.	20	Wren	17	Woolworth Mid	20

28	U.C.L.	28	Property
29	U.C.L.	29	Rev. Land & Bldg.
30	U.C.L.	30	Sec. 100
31	U.C.L.	31	Sec. 100
32	U.C.L.	32	Sec. 100
33	U.C.L.	33	Sec. 100
34	U.C.L.	34	Sec. 100
35	U.C.L.	35	Sec. 100
36	U.C.L.	36	Sec. 100
37	U.C.L.	37	Sec. 100
38	U.C.L.	38	Sec. 100
39	U.C.L.	39	Sec. 100
40	U.C.L.	40	Sec. 100
41	U.C.L.	41	Sec. 100
42	U.C.L.	42	Sec. 100
43	U.C.L.	43	Sec. 100
44	U.C.L.	44	Sec. 100
45	U.C.L.	45	Sec. 100
46	U.C.L.	46	Sec. 100
47	U.C.L.	47	Sec. 100
48	U.C.L.	48	Sec. 100
49	U.C.L.	49	Sec. 100
50	U.C.L.	50	Sec. 100
51	U.C.L.	51	Sec. 100
52	U.C.L.	52	Sec. 100
53	U.C.L.	53	Sec. 100
54	U.C.L.	54	Sec. 100
55	U.C.L.	55	Sec. 100
56	U.C.L.	56	Sec. 100
57	U.C.L.	57	Sec. 100
58	U.C.L.	58	Sec. 100
59	U.C.L.	59	Sec. 100
60	U.C.L.	60	Sec. 100
61	U.C.L.	61	Sec. 100
62	U.C.L.	62	Sec. 100
63	U.C.L.	63	Sec. 100
64	U.C.L.	64	Sec. 100
65	U.C.L.	65	Sec. 100
66	U.C.L.	66	Sec. 100
67	U.C.L.	67	Sec. 100
68	U.C.L.	68	Sec. 100
69	U.C.L.	69	Sec. 100
70	U.C.L.	70	Sec. 100
71	U.C.L.	71	Sec. 100
72	U.C.L.	72	Sec. 100
73	U.C.L.	73	Sec. 100
74	U.C.L.	74	Sec. 100
75	U.C.L.	75	Sec. 100
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81	U.C.L.	81	Sec. 100
82	U.C.L.	82	Sec. 100
83	U.C.L.	83	Sec. 100
84	U.C.L.	84	Sec. 100
85	U.C.L.	85	Sec. 100
86	U.C.L.	86	Sec. 100
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93	U.C.L.	93	Sec. 100
94	U.C.L.	94	Sec. 100
95	U.C.L.	95	Sec. 100
96	U.C.L.	96	Sec. 100
97	U.C.L.	97	Sec. 100
98	U.C.L.	98	Sec. 100
99	U.C.L.	99	Sec. 100
100	U.C.L.	100	Sec. 100

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FINANCIAL TIMES SURVEY

Monday September 5 1983

REINSURANCE
AND WORLD INSURANCE MARKETSBy John Moore
CITY CORRESPONDENT

THE WORLD'S reinsurers, the professionals who lay off risks for all types of insurance concerns, are experiencing the first major shakeout in their community since their businesses began to expand rapidly in the mid-70s.

For years it has been the conventional wisdom of the established reinsurer and insurer to argue that the problems within the market were created by overcapacity—too many suppliers of insurance and reinsurance looking for business which was not expanding at the same rate as the available market.

Cut-throat competition, caused by the growing volume of participants in the reinsurance market, an overall lack of underwriting expertise and experience among some groups, and poor financial controls in other groups could mean serious trouble for the more established concerns.

The "big bang" theory, which has been put forward at every major insurance convention for the last five years, and no doubt will be heard again this week at Monte Carlo, held that some huge natural catastrophe, such as a hurricane, would sweep away the newcomers to the market and put tremendous strains on the more established insurance and reinsurance concerns.

Ironically, the market has been hit in the past year by a series of unnatural "catastrophes" such as the troubles at Lloyd's, which have largely been caused by the market's structure. These events are causing a major reassessment by regulators and reinsurance specialists alike of reinsurance and its operation.

As a commercial activity, reinsurance has its origins in the 14th century. A boom

in the industry took place in the 1970s. In 1965 reinsurance premiums amounted to \$5.6bn and currently stand at more than \$40bn. By comparison direct non-life insurance premiums grew from \$40.1bn to around \$300bn over the same period.

Growth of the industry was given impetus when insurance capacity in the U.S. contracted dramatically as falling stock market values eroded insurance companies' reserves. The U.S.

Many of the newcomers describing themselves as reinsurers were operating little more than shell companies, taking money in through a reinsurance contract, retaining a tiny amount of the risk, and reinsuring the bulk of their own business out again with other reinsurers. In this way they had access to capital, which could be invested to finance other business ventures. The world's insured risks came to be spread throughout

laxed regulatory environments, such as Bermuda. More than 1,200 companies were formed in this way in Bermuda alone. The Bermuda market seldom saw the best business offered and unless the underwriting was unusually prudent the consequences could be disastrous.

Here there are signs of a dramatic shake-out and a contraction in capacity of a \$50n insurance and reinsurance market. Stuffed with bad insurance business and huge losses, some captives owned by large industrial parent companies are curbing their activities by not accepting business from outside their parent company.

The Lloyd's experience of the past year and the scandals which have emerged have had dramatic repercussions throughout the reinsurance world. Regulators have been worried about the apparent abuses of the reinsurance system which have surfaced in the Lloyd's market and which have damaged the image of certain offshore centres.

In the U.S. competitors of Lloyd's have been quick to exploit the problems of the market in order to attract business. Lloyd's is faced with the problems of having to overhaul its market and institute effective self regulatory mechanisms in order to restore confidence.

The problems created by the rapid growth of the reinsurance market are now causing anxiety among more established reinsurance groups. Mr John Lock, general manager of the Mercantile and General Reinsurance Company, Britain's largest reinsurer, warned recently that the growth of the market had created severe management problems in the industry.

He said: "The administrative and accounting infrastructure has not kept pace with the growth of the business. We therefore have a market which is extremely inefficient in many of its administrative and accounting functions."

Treaty: a contract providing for a number of reinsurances over a period.

Excess of loss policy: a policy that covers claims only to the extent that they exceed a stated amount.

Facultative reinsurance: the reinsurance of risks that the original insurer may elect whether or not to offer for reinsurance. The reinsurer is free to accept or reject the offer. Facultative obligatory treaty: a reinsurance treaty under which an insurer may elect whether to offer a risk of a specified type for reinsurance. The reinsurer is obliged to accept if the business is offered.

Surplus line: 1. the amount of reinsurance required after the maximum line has been declared

Key terms in reinsurance

on a reinsurance treaty or cover. 2. a risk which a broker is unable to place with insurers in his own state and for which he must therefore seek cover outside the state. In this context the expression is widely used in the U.S.

Ceding company: an insurance company that transfers risks by means of reinsurance.

Retrocessionaire: a reinsurer who buys reinsurance on some of the risks he has agreed to bear.

Overriding commission: A discount allowed to an agent or ceding insurer in addition to normal commission. In reinsurance it is usually done by way of contribution to the direct insurer's overheads.

Proportional reinsurance: reinsurance of part of an original insurance premiums and losses being shared proportionately between reinsurer and insurer. Non-proportional reinsurance: reinsurance such as excess of loss reinsurance where the reinsurer's liability is not calculated proportionately to the insurer's.

Quota share reinsurance: treaty reinsurance providing that the reinsurer shall accept a specified share of the risk.

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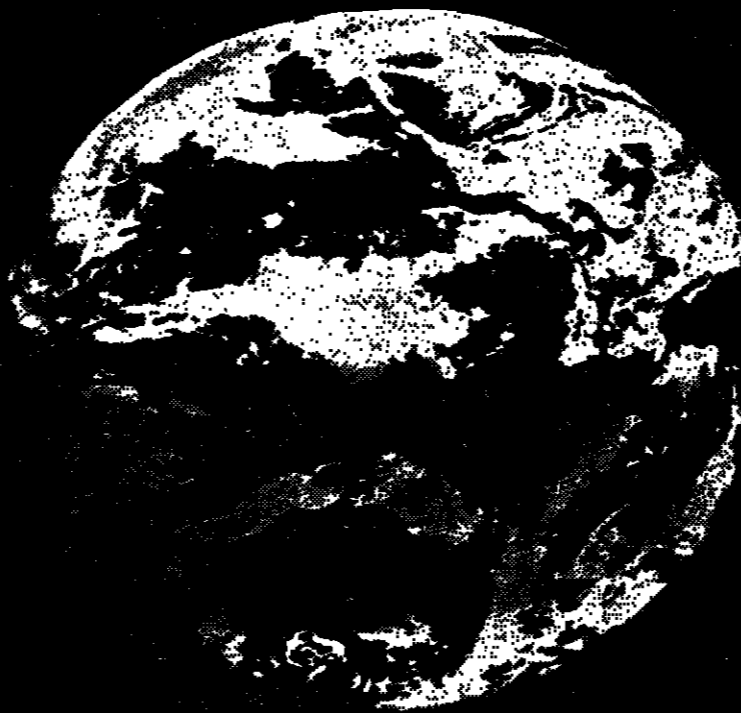
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REINSURANCE II

Fluctuating currencies and interest rates are causing major problems, reports John Makinson

Hazardous path for the fund managers

THE CHAIRMAN of the U.S. Federal Reserve Board must be one of the most unpopular figures in the international reinsurance industry's casebook of villains. The sharp fluctuations in currencies and interest rates engendered by U.S. monetary policy have made the task of the industry's asset managers extremely hazardous. Filling in the log-book of a pitching ship is not an easy job.

Geographical diversification should, in principle, provide insurance and reinsurance companies with protection against a shake-out in any particular market. If, for example, the Canadian market develops a severe dose of over-capacity, resulting in heavy discounting, an insurance company should be in a position to use, say, its European business to restore the balance. In practice, however, diversification of this kind can create as many problems as it solves.

Reinsurance companies constantly strive to match their assets and liabilities in currency terms. They also endeavour to set their premium rates with an eye to the expected return on invested premium income and to gauge their overall volume of business according to the anticipated level of shareholders' funds. Volatile interest and exchange rates, however, all too

World money markets

often upset those delicate calculations.

For a reinsurance company's fund manager, the problem is not to assess the currency exposure of his investments, which is constantly monitored, but to calculate the actual breakdown of the company's liabilities. The composition of the biggest liability of all—the reserve for outstanding claims—is at best a matter of guesswork.

Even the most sophisticated actuary will be unable to predict with any certainty how much particular claims can be expected to cost or what unreported losses may suddenly emerge. Moreover, some categories of loss cannot be accurately apportioned to a particular currency. The fund manager is obliged to employ assets which balance, for example, the company's catastrophe reserves. But claims against those reserves could arise in any of a number of major currencies, depending on when the next forest fire breaks

out or the next earthquake occurs.

The shareholder will probably find it more difficult to assess the completeness of a company's matching than the fund manager himself. Not every company provides a clear breakdown of assets and liabilities according to currency and the balance sheet position may itself be untypical of the average position over a year. Moreover, the often substantial hidden reserves maintained by continental reinsurance groups further confuse the already cloudy currency picture.

For many reinsurance companies, international diversification is a matter of necessity. The Swiss market, for example, is far too small to support a company of the size of Swiss Re. Its liabilities, therefore, are dominated overwhelmingly in foreign currencies. Yet, with predominantly Swiss shareholders, it is reasonable for Swiss Re to consider its shareholders' funds as a domestic currency liability.

If the Swiss franc is consistently strong against other currencies, notably the U.S. dollar, as was the case throughout the late 1970s, the Swiss company will find that its shareholders' funds rise more rapidly than its premium income in

Swiss franc terms, opening the company to the accusation that it is not putting shareholders' money to sufficient use. The group may therefore aim for a higher than average growth in overseas markets both to maintain optimal gearing on its shareholders' funds and to cover its expenses, a high proportion of which will be denominated in Swiss francs.

Recently, however, the dollar has been in the ascendant, leaving the European reinsurance companies with the opposite problem. Unless it reins back its overseas operations, shareholders may reasonably complain that the group is over-gearing. Conversely, the U.S. companies will feel in a stronger position to expand in overseas markets.

Investments

The upshot of volatile currencies, therefore, is not only to exacerbate the matching problems of an individual company but to accelerate movements in capital within the reinsurance industry worldwide. A similar problem applies with interest rates. The reinsurance company is always aiming at an overall return—that is to say a trading profit after credit-investment income—and the level at which a desired return

is achieved depends crucially on the return from short-term investments.

If short-term interest rates suddenly tumble, as happened in 1982, reinsurance companies may find that their return on money market investments is no longer sufficient to make up a deficit on the pure reinsurance account. Conversely, the value of their fixed-interest debt portfolio will rise, strengthening the company's reserve position.

The fund manager has been assisted in his task by the proliferation of instruments which enable him to hedge his risk at short notice. Currency futures, for example, can be used either to hedge an unbalanced position in a particular currency or to purchase in advance a currency in which a liability is expected to arise.

Also, interest rate futures enable a fund manager to protect himself to some extent against sudden movements in the cost of money. By buying a fixed-interest security in the cash market, and then setting up a "bear" position in a matching futures contract, the risk to the company of a falling bond market can be limited.

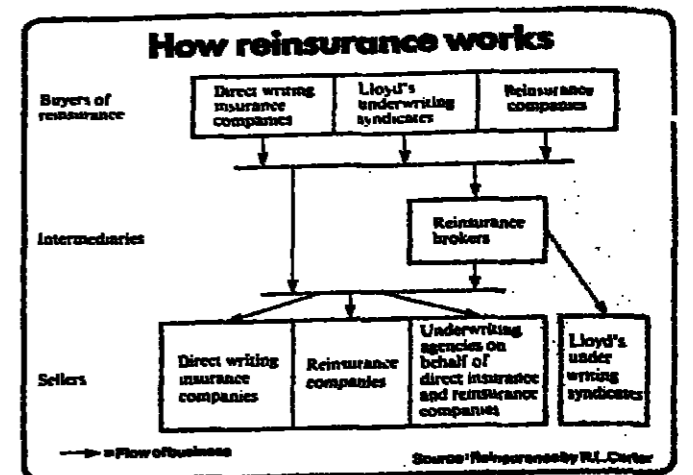
The 1981 accounts of Swiss Re, the latest available, show fairly clearly the effect of currency mismatching. In Swiss franc terms, gross premium in-

come from non-life reinsurance showed virtually no change over the previous year. This, the company notes, was due in large measure to a fall in the exchange rates of all European currencies against the Swiss franc. Swiss Re generally earns less than 10 per cent of its premium income in Swiss francs.

Justified

Investment income, however, climbed from SwFr 280m to SwFr 328m. Here, Swiss Re benefited from its traditional policy of investing a higher proportion of its assets in Swiss francs than would strictly be justified by the profile of its liabilities. The accounts show that 38 per cent of the company's capital market and real estate investments were in Swiss francs. This figure might, of course, look different if deposits and other short-term instruments were included in the calculation.

There is no easy way for the fund manager to overcome the problems of fluctuating interest and foreign exchange rates. The key, however, must be to match assets and liabilities in currency terms as far as possible and to adjust premium rates quickly to changed interest rate expectations.



Bargains now but risks lie ahead

Buyers

"THE BUYER, with his broker ally, is reasonably adept at finding secure reinsurance and he is finding it at very attractive prices, so unless the two efforts of skill and will are made—and it is only in your hands as sellers—we buyers will go on taking you to the cleaners."

This warning to reinsurers was handed out by the representative of a direct insurer at the Reinsurance Offices Association's Sixth International Reinsurance Seminar, held in April. The "bargain basement" view of the reinsurance market, unpalatable as it is to reinsurers, is one which they have increasingly had to come to terms with, and which, belatedly, they are trying to change.

Buyers use the reinsurance market to spread risk, in much the same way that bookmakers lay off bets with other bookmakers. As in direct insurance, the buyer's fundamental need is for protection against loss or disaster. The smaller the insurer, the greater the reinsurance protection needed against a possible accumulation of risks.

The buyer also looks for capacity. Reinsurance enables an insurer to accept more and far larger risks than would otherwise be the case. In a highly competitive direct market, where the size and complexity of risks is ever increasing, the value of large capacity is evident.

The need for large scale protection and capacity demonstrates the extent of the buyer's dependence on reinsurance. It is therefore vital to the buyer's interests that his reinsurers provide security of the highest possible quality.

Disproportionate

The buyer must, however, strike a balance between these needs and cost. With rates in the direct market at often derisory levels, the buyer looks for the reinsurance programme which will enable him to retain as much of his premium income as possible.

Reinsurance also serves to even out fluctuations in the buyer's results. In some classes of insurance, for example aviation, loss experience can vary widely from year to year and individual losses can involve disproportionately large amounts of money. But an insurer's performance must show some consistency, if only for shareholders' peace of mind.

The buyer uses reinsurance to move into new fields. This applies both to the small, recently established company which wants to expand, and to the more well established company seeking to exploit previously untapped markets.

Initially, the buyer needs the technical expertise which experienced reinsurers can offer, and reinsurers in the early years, will have to bear an unduly large proportion of the risk.

By negotiating reciprocal arrangements with reinsurers, the buyer uses his need for protection as a means of entering the reinsurance market itself. Theoretically, this provides him with a relatively safe and cheap method of expanding his portfolio of business.

In an ideal market, insurers would make a professional assessment of their reinsurance needs, based on the various objectives outlined above, and reinsurers would provide them with balanced reinsurance protection. The reality is somewhat different.

It is still largely true that most buyers in the international reinsurance market are interested solely in high capacity and low price.

Reinsurance rates are, on the whole, ridiculously low and bear no relation to loss experience. Commissions, traditionally granted to the original insurer or cedant, for business acquisition costs, have reached disproportionately high levels.

Reinsurance premiums, to quote a much-used phrase, flow like glue. Many reinsurance agreements have high premium reserves, held by the cedant on behalf of reinsurers. Reinsurers

are lucky to be credited with 5 per cent interest on such reserves.

Many of these problems stem from overcapacity. Prospective reinsurers have been attracted by the low initial costs, compared with the direct market, the volume of premium, and the possibility of accumulating that premium before being hit by the large claims.

At the same time, economic recession has intensified competition in the direct market. Aided by high interest rates, premium levels have tumbled. Reinsurance rates have followed the fortunes of the direct market. Too many people are chasing a dwindling supply of money.

At first sight, this may seem entirely to the buyer's advantage. He can shop around for a deal that offers him capacity at a low price.

In the long term, however, the buyer is damaging his own interests. The dividing line between buyer and seller is not at all rigidly defined because the insurance and reinsurance markets are inextricably bound up with one another. Insurers act as reinsurers through reciprocal agreements, and reinsurers find themselves in the position of buyers when arranging their own reinsurance cover, known as retrocession.

More specifically, reinsurance rates affect rates in the direct market. If the insurer can rely on cheap reinsurance cover, he has more freedom to cut his rates, if necessary, to remain competitive. Insurance and reinsurance rates force each other down in a depressing spiral.

Rather late in the day, reinsurers have begun trying to set part of their house in order. In the London market, reinsurance agreements are usually renewed on January 1. Last January, for the first time, there was a definite hardening of rates on proportional treaties. Reinsurance arrangements where the reinsurer accepts a certain proportion of the insured risk, receives that proportion of the premiums and pays that proportion of the claims. Mercantile and General Reinsurance, the UK's longest established professional reinsurance company, cancelled over 800 treaties, most of them proportional.

It is from proportional treaties that reinsurers have been getting the roughest deal. They have no control over premium rates, which follow the original, suffer heavy reserves and pay unrealistic commissions.

Buyers are still making hay, however, with non-proportional treaties, under the terms of which reinsurers agree to pay a percentage of each loss in excess of a fixed amount, up to a further limit. The attraction of non-proportional business for the reinsurer is that, although the premium is still inadequate, he stands a chance of making a 100 per cent profit.

Last January, a prominent UK composite moved its first layer property excess of loss cover from the UK to the U.S. reinsurance market, where it was placed at a third of the cost. In 1982, the treaty had made a substantial loss, and already this year, heavy involvement by the company in Australian business losses has led to even worse results.

Reinsurers' dilemma was summed up by Alan Preston, chairman of the Reinsurance Offices Association in 1981 when he spoke of "the problem of establishing standards which would be acceptable to responsible underwriters, yet without affecting general freedom of operation."

Buyers have not so much used, as abused, the reinsurance community. Reinsurers have not so much met the challenge of buyers' needs, as collapsed before it. To the outsider, the conduct of international reinsurance displays all the logic of a man stealing money out of his own back pocket.

Greg Wood

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Chris Morrison examines the impact of new markets

Fledgling trio experiencing mixed fortunes

THREE NEW "Lloyd's style" insurance exchanges have opened their doors for business in the U.S. during the past couple of years.

In design they closely resemble the Lloyd's operation with individual syndicates within a central market competing mainly for reinsurance and non-standard or innovative risks, known as excess and surplus lines in the U.S.

They are intended to provide additional U.S. and world capacity and help reduce the flow of premiums out of the North American market. The three operations, based in New York, Chicago and Miami, can offer substantial cost savings to corporate and individual investors and they are often marketed as an easy and cheap alternative to U.S. establishment.

One major reason for this is that the aggregate surplus of an exchange allows subscribers to participate in business that would not have been open to them on an individual basis. The New York exchange's 1982 annual report lists over 60 foreign investors from 35 countries.

Lloyd's, which is backed to an unlimited extent by around 20,000 wealthy individuals, the U.S. exchanges are funded mainly by companies, although a syndicate representing a group of individuals has recently started operating in Miami. Underwriting liability is strictly limited in America with various last resort security and guarantee funds providing the ultimate security.

The most significant exchange currently operating is New York which is formed of 37 underwriting syndicates and has over 90 brokers authorised to place business. The New

N. American exchanges

York Insurance Exchange has substantial backing from the state's insurance establishment and premium growth has been dramatic with a 166 per cent increase last year to \$156.4m. The pace was maintained during the first quarter of this year with an 82 per cent boost to \$57.8m.

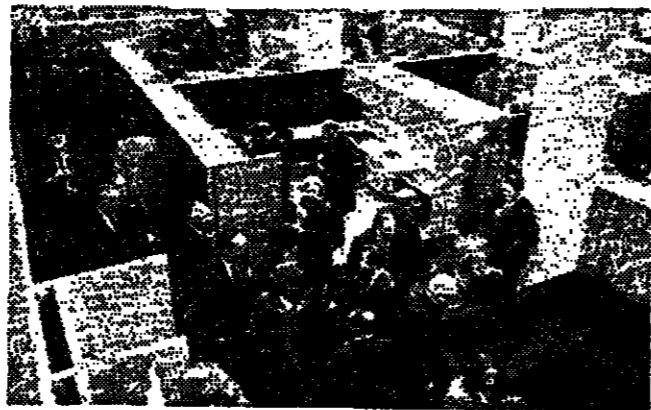
Soft markets however have taken their toll and the average operating ratio last year came in at 114.1 per cent, over four points higher than the overall industry figure. One syndicate went as high as 280 per cent, while the largest finished with 111 per cent.

New York is primarily a reinsurance market-place although it is now able to write excess and surplus business in the rest of the country providing the individual states agree.

There are restrictions on the writing of New York direct business and it cannot be considered unless it has been rejected by a panel of insurers in a "free trade zone." While the exchange can count itself among the top 15 U.S. reinsurance markets, it is perhaps not surprising that direct business, at \$1.3m in 1982, has yet to take off.

Chicago is also well backed by the local insurance establishment although progress has been limited to date. Premium income during 1982 totalled \$2.5m but there are hopes to increase it this year to around \$8m. Eight syndicates are currently operating and 40 brokers are authorised to place business.

Chief executive James Skelton recently estimated that the



The New York exchange: among the top 15 U.S. insurance markets

exchange needed at least 20 syndicates to make it really viable.

The Chicago exchange is authorised to accept reinsurance and direct business and is attempting to develop a name for the unique risk. According to its annual report, business written last year included non-appearance insurance for entertainers and hot air balloons.

The Miami exchange, the Insurance Exchange of the Americas, led by British expatriate Alan Teale, has had a disappointing start with delayed authorisation hearings and only four active syndicates in place when it opened last April.

Much of the disappointment has arisen because expectations had been built up too high. Just over a year ago Mr Teale was confidently predicting 25 or

more syndicates for opening time, while last May he told a group of London journalists that 18 syndicates were expected to be in place by the end of June.

In the event, Miami was operating at the middle of August with six syndicates and, according to Mr Teale, "processed" premiums totalled \$3.6m.

The exchange's marketing stance is primarily aimed at attracting the small to medium sized companies and it is also hoping to secure the participation of a number of non-insurance investors.

In common with the other U.S. exchanges it is making considerable efforts to attract good underwriting talent — an increasingly difficult task as demand outstrips supply, at least in the short run.

The shakeout begins

Captives

BERMUDA'S 1,200 or so insurance companies owned by large non-insurance parent groups are beginning to contract their operations after a long period of growth.

Recently, Inco, Gulf Oil's highly respected Bermuda-based "captive" insurance company, decided to curb its business operations on the island by cutting down on its acceptance of non-related third party business.

It is part of a trend. Walton Insurance Company, the Bermuda-based insurance arm of Phillips Petroleum, has been hit by heavy losses amounting to a net \$60m. That group is also contracting its operations and has been forced to make a number of redundancies. Continental Reinsurance Corporation (Bermuda), part of Continental Corporation, the insurance group, has decided to relocate its Bermuda operations to New York to improve efficiency and cut costs. Mentor Insurance, a wholly owned subsidiary of the New Orleans-based oil exploration group Ocean Drilling and Exploration Company is to transfer a large part of its Bermuda-based underwriting business to sister companies in the U.S.

Alexander International, part of Alexander & Alexander Services, the world's second largest broker, is embarked on rationalisation moves following its parent company's takeover of the controversial Alexander Howden Group.

Bermuda's name as an insurance centre has become caught up in the sensations emerging at Lloyd's. The Lloyd's scandals have involved allegations that irregular transactions have washed through the Bermuda market to other offshore centres. Like the rest of the reinsurance community Bermuda's own insurance community is suffering the problems of rapid growth. The number of companies operating in Bermuda in the insurance arena has risen more than tenfold since the late 60s and now exceeds 1,200.

The attractions for industrial companies creating their own insurance subsidiary were varied. A main consideration was cost.

Insurance companies sometimes rate premiums without giving sufficient attention to an analysis of the loss experience of the insured. Consequently, the premium payable is sometimes higher than it would be if calculated actuarially. The bad experiences of many insureds can reflect adversely on the good experiences of the few when insurance groups come to rate assessment.

Use of captives often assists in the placing of risks or a proportion of risk where market capacity is limited. The world's insurance markets have not yet developed sufficiently to absorb fully such risks and the placing

of business can be extremely difficult. A captive insurance subsidiary can provide a measure of protection.

Moreover, a captive insurance group has direct access to the reinsurance market and the reinsurance offered may be cheaper than direct insurance. The captive also allows the parent company to utilise internal cash resources more efficiently, enabling premiums to be invested and the investment income applied to building up reserves and containing overall costs for the cover.

Premiums charged by the majority of direct insurers reflect their need to cover "front office" and other overhead costs such as commission payments to the broker. The lack of a need to sell insurance and to maintain large offices and staffs means that the overheads of a captive are substantially lower.

In the 1970s the captive companies were given a push by the Internal Revenue Service in the U.S. which caused a large increase in the world's reinsurance capacity. The IRS ruled that parent company insurance premiums paid across to an in-house captive insurance company would not be allowed for tax purposes. Tax deductibility of premiums would be related to the amount of business passed by the parent company to its subsidiary.

The move prompted many captive owners to look for ways to reduce the reliance of their insurance company on captive

business and encouraged them to turn their captives into full-fledged insurance subsidiaries accepting business from units outside their parent companies.

Their experiences proved variable. Bermuda was never shown the best lines of business and that business which it was offered was generally at the end of the reinsurance chain. It developed into a market of last resort.

The underwriting expertise which these groups attracted was also equally variable.

While the more prudent companies hired their underwriters from the major European reinsurance centres, others were not so selective. Underwriting losses soared, leading to the contraction and shakeout which is happening in Bermuda now.

Bermuda is now trying to establish order in its market. The Government is insisting that all insurance companies seeking to operate in the market should go before the Insurance Admissions Committee. In the past it has only been necessary for insurers who plan to underwrite product liability or professional liability insurers who have had to be screened by the admissions committee.

The minister of finance, Mr David Gibbons, is planning to hold regular meetings with industry representatives to ensure that problems are identified as soon as possible.

John Moore

Growth on schedule but going is tough

THE Arab Insurance Group (ARIG) found it hard going during its first full year of operating in the international reinsurance business with bottom line profits during 1982 of \$13.1m totalling less than half the income of \$28.1m from the company's investment portfolio.

Nevertheless, growth appears to be on schedule with an estimated gross premium income during the year of around \$80m. Delays in receiving settlements of accounts have led to a booked figure of \$41.5m and a net total of \$39.4m following the purchase of reinsurance protection.

The company notes that it has acquired the capacity to quote and lead onshore oil, petrochemical and aviation risks. But it admits that last year's results reflected significant amounts of marine and aviation business and that management was in the process of developing other business "in order to achieve a more balanced risk portfolio."

In common with many other reinsurers ARIG decided in the light of current market conditions that it was not prudent to show a technical profit during 1982. Reserves for losses incurred but not reported, known as IBNRs, were given a \$16.6m boost which left total technical reserves at the end of the year standing at \$32.1m.

Arab Insurance Group

equivalent to 94 per cent of net premium income.

ARIG is the largest insurance group in the Arab world and is owned equally by the Governments of Kuwait, Libya and the United Arab Emirates. Its authorised capital amounts to a massive \$3bn although to date only \$150m has been paid up.

Registered as a Bahrain shareholding company it started reinsurance operations during the middle of 1981 with the aim of stemming the flow of premiums out of the Arab world.

In the future it hopes to make a significant impact in the direct insurance markets of the world. Last year it derived 32 per cent of its business from the Arab countries and this total climbed to 53 per cent when the rest of the Afro-Asian market was included. European reinsurances contributed a further 15 per cent while the U.S. provided another 3.2 per cent. Reinsurance of a specified risk, known as facultative, represented about 40 per cent of the estimated gross written premium.

Domestic expansion the driving force

A CONCERTED push for international insurance business continues at the People's Insurance Company of China, the state controlled monopoly insurer, fuelled by an expanding and profitable domestic market.

Last year's overall profit rose 67 per cent to Yuan 117m. The major contributor was domestic business which was restarted in 1979 after a 21-year hiatus. International reinsurance business was said to have turned in a 1 per cent underwriting profit on a premium income of Yuan 261.8m.

The increase in insurance activity has been part of the general expansion of international trade and commercial agreements arising from the country's recent adoption of more pragmatic and modernising economic policies.

Increases in both domestic economic activity and international trade have led to a demand for more sophisticated coverages and the PICC now offers many of the types of insurance commonly found in the developed world.

Much of the demand for new classes of insurance has come from the offshore exploration industry and for imports and exports in the new economic

People's Insurance Company of China

sectors. Additional types of insurance introduced in the last few years includes machinery breakdown, shipbuilding, employers' and products liability and political risk.

The PICC has developed reinsurance relationships with about 1,000 insurers and reinsurers in over 120 countries. Through these it is able to swap business and the reciprocal exchange enables it to maintain a more balanced portfolio.

On the international front the PICC entered into a joint venture with the American International Group to form the Bermuda-based China-America Insurance Company. This specialises in writing North American direct business and international reinsurance. The PICC is also a member of the South Place syndicate on the New York Insurance Exchange.

Keeping ahead internationally needs a certain style

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